

Please refer to the KHESLC Revenue Bond Resolution disclaimer at <http://www.studentloanpeople>

Kentucky Higher Education Student Loan Corporation
Balance Sheet by Fund
September 30, 2008

	<u>Auction Rate Education Finance Funds</u>	
	<u>1997 General Bond Resolution</u>	<u>2004 General Bond Resolution</u>
ASSETS		
Current:		
Cash and Cash Equivalents		
Accounts Receivable and Prepaid Expenses	\$0	\$0
Receivable from US Department of Education (Schedule 4)	2,165,198	2,020,223
Accrued Borrower Interest Income	19,872,390	26,095,899
Accrued Investment Interest Income	77,557	77,685
Total Current Assets	<u>22,115,145</u>	<u>28,193,807</u>
Noncurrent:		
Restricted Cash and Cash Equivalents	38,836,202	50,974,380
Loans, Net	826,099,433	968,713,910
Deferred Front End Borrower Benefits, Net	7,432,904	20,628,953
Deferred Debt Issuance Costs, Net	3,285,656	3,813,365
Deferred Loan Purchase Premiums and Lender Origination	3,167,963	5,829,195
Fixed Assets, Net		
Total Noncurrent Assets	<u>878,822,158</u>	<u>1,049,959,803</u>
Total Assets	<u>900,937,303</u>	<u>1,078,153,610</u>
LIABILITIES		
Current:		
Accounts Payable and Accrued Expenses	565,459	811,914
Interfund Payable (Receivable)	226,650	(541,718)
Accrued Interest Expense	7,459,318	5,436,109
Total Current Liabilities	<u>8,251,427</u>	<u>5,706,305</u>
Noncurrent:		
Allowance for Arbitrage Liabilities	461,797	283,087
Bonds Payable	855,650,000	1,074,850,000
Total Noncurrent Liabilities	<u>856,111,797</u>	<u>1,075,133,087</u>
Total Liabilities	<u>864,363,224</u>	<u>1,080,839,392</u>
NET ASSETS		
Invested in Capital Assets, Net		
Unrestricted	0	0
Restricted	36,574,079	(2,685,782)
Total Net Assets	<u>36,574,079</u>	<u>(2,685,782)</u>
Total Liabilities and Net Assets	<u>\$900,937,303</u>	<u>\$1,078,153,610</u>

Schedule A

	<u>1997 General Bond Resolution</u>	<u>2004 General Bond Resolution</u>
Receivable from (Payable to) US Department of Education		
Accrued loan interest/government	2,138,476	4,614,674
Accrued loan interest/special allowance	22,895	(1,293,413)
Origination fee payable	2,050	(688,074)
Lender origination fee payable	<u>1,777</u>	<u>(612,964)</u>
Total Receivable (Payable) related to US Dept of Education	<u><u>2,165,198</u></u>	<u><u>2,020,223</u></u>